

CHILTIPIN CREEK SPILL AGREEMENT

This agreement is made and entered into by and among:

1. The United States Department of the Interior (DOI), and the National Oceanic and Atmospheric Administration (NOAA), an agency of the United States Department of Commerce,
2. The Texas Parks and Wildlife Department (TPWD), Texas Natural Resource Conservation Commission (TNRCC), and Texas General Land Office (GLO), agencies of the State of Texas and collectively referred to as the State, and
3. Exxon Pipeline Company.

STATEMENT OF FACTS

1. At approximately 10:45 a.m. on January 7, 1992, a pipeline owned and operated by Exxon Pipeline Company ruptured and released 2950 barrels (123,900 U.S. gallons) of API gravity 37 South Texas light crude oil. Of this volume, 1700 barrels escaped into a marsh contained within the Chiltipin Creek natural drainage area, San Patricio County, Texas. The remaining 1250 barrels were estimated to have been recovered from the blow-out hole.
2. The oil discharged was a light crude oil, containing trace amounts of heavy metals and petroleum hydrocarbons sufficient to cause toxicity and mortality to various aquatic and terrestrial organisms.
3. The DOI, NOAA, and the State are designated co-Trustees of the natural resources injured by the discharge of oil from Exxon Pipeline Company's pipeline in the Chiltipin Creek drainage area.
4. The marshes impacted by the discharge provide important habitat for numerous species of waterfowl, shorebirds, songbirds, and terrestrial reptiles and mammals. Marshes also provide valuable habitat for aquatic species, e.g. fishes, crabs, zooplankton, and other aquatic organisms.
5. Exxon Pipeline Company initiated response actions to contain and remove crude oil, which included a permitted in situ burn of a portion of the oiled area.
6. The Exxon Pipeline Company response action provided no compensation for the value of natural resources, and their services, injured or lost as a result of the discharge of oil.

STATEMENT OF OBLIGATIONS

1. The State and Federal trustee agencies have expended time, funds, and resources in investigating the January 7, 1992 discharge and the natural resources injuries which may have resulted from the incident. Therefore, Exxon Pipeline Company shall reimburse these parties within 30 days of execution of this agreement for their administrative expenses as follows:

a. DOI/FWS:	\$23,793.00
b. NOAA:	3,085.74
c. TPWD:	13,331.17
d. TWC:	9,769.36
e. GLO:	23,393.30

These funds should be paid by cashier's check or certified check referencing the "Natural Resource Damages Agreement for the Chiltipin Creek Spill" as follows:

As to DOI/FWS, a check for \$23,793.00 payable to the Secretary of the Interior and sent to:

Chief, Division of Finance
U.S. Fish and Wildlife Service
4401 North Fairfax Drive, Room 380
Arlington, Virginia 22203

The following statement shall appear on the certified check: "Chiltipin Creek/Exxon Damage Assessment, NRDA Account #14X1618".

As to NOAA, a check for \$3,085.74 payable to NOAA, Department of Commerce and sent to:

Manager, Damage Assessment Center, NOAA
6001 Executive Blvd; Room 425
Rockville, Maryland 20852

As to TPWD, a check for \$13,331.17 payable to the Texas Parks and Wildlife Department and sent to:

Texas Parks and Wildlife Department
Rachel Molina, Cashier & Revenue Control
4200 Smith School Road
Austin, Texas 78744

As to TNRCC, a check for \$9,769.36 payable to the Texas Natural Resource Conservation Commission and sent to:

Texas Natural Resource Conservation Commission
P.O. Box 13087, Capitol Station
Austin, Texas 78711

Attention: Janie Brooks, Account #4936

As to GLO, a check for \$23,393.30 payable to the Commissioner, Texas General Land Office and sent to:

Texas General Land Office
c/o Spencer Reid, Senior Deputy, IOC 11822
1700 North Congress,
Austin, Texas 78701-1495

2. In consideration of and in exchange for the agreements described in Paragraph 5 in the Statement of Obligations, Exxon Pipeline Company agrees to reimburse the Trustees' administrative expense identified in Paragraph 1 and to pay to the Trustees in their Trustee capacity as compensation for the injuries to natural resources that resulted from the January 7, 1992 spill release and subsequent oil removal actions the sum of \$130,000 (natural resource damage amount).
3. The aforementioned natural resource damage amount shall be submitted to the Trustees by cashiers check or certified check within 30 days of execution of this agreement. The distribution or use of the natural resource damage amount shall be at the sole discretion of the Trustees, consistent with their Trustee duties and responsibilities.
4. The Trustees are evaluating the possibility of using the natural resource damage amount to purchase and restore a 110-acre tract of land commonly known as Shamrock Island located in Corpus Christi Bay, Corpus Christi, Nueces County, Texas. To assist in the Trustee investigation into the possible purchase of the island, Exxon Pipeline Company agrees to pay up to \$1,500.00 to the Texas Natural Resource Conservation Commission for soil and/or water sampling and analysis should such sampling be deemed necessary by the Trustees. The analytical costs for the Shamrock Island sampling is \$1,115.00, and has been incorporated into the total administrative cost for TNRCC.
5. Subject to Exxon Pipeline Company's satisfactory payment of the administrative expenses outlined in Paragraph 1, the natural resource damage amount outlined in Paragraph 2 and the sampling cost outlined in Paragraph 4, should the Trustees exercise this option, the State of Texas hereby agrees not to refer this matter to the Texas Attorney General's office for the purpose of litigating a claim for natural resource damages arising from the January 7, 1992 oil spill. DOI and NOAA hereby agree that neither agency shall refer this matter to the Department of Justice for the purpose of litigating a claim for natural resource damages.

6. Nothing in this Agreement is intended to be, nor shall it be construed as, a release or covenant not to sue for any claim or cause of action, administrative or judicial, for:
 - a. natural resource damage, in the event the Exxon Pipeline Company does not pay the administrative expenses identified in Paragraph 1 or the natural resource damage amount identified in Paragraph 2, or the sampling cost identified in Paragraph 4, should the Trustees exercise that option;
 - b. future releases, discharges, or spills other than described in Paragraph 1 of the Statement of Facts;
 - c. any and all criminal liability; or
 - d. any matter not expressly included in the release from liability for natural resource damages set forth in Paragraph 5 in Statement of Obligations.
7. Exxon Pipeline Company certifies that to the best of its knowledge and belief after careful inquiry, it has fully and accurately disclosed to the Trustees all information requested which is currently in the possession of Exxon Pipeline Company's officers, employees, contractors, and agents which relate in any way to the January 7, 1992 oil discharge from the above-referenced pipeline.
8. This agreement may be executed in counterparts.

RS:pg
6/23/93
CCS/R001RS

U. S. DEPARTMENT OF THE INTERIOR

Name:

Date

Title:

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION

Name: _____

Date _____

Title:

TEXAS PARKS AND WILDLIFE DEPARTMENT

Name: _____

Date _____

Title:

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

Name: _____

Date _____

Title:

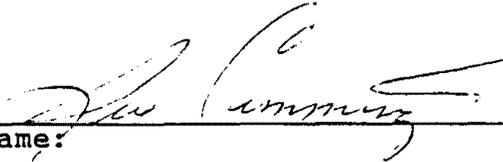
TEXAS GENERAL LAND OFFICE

Name: Garry Mauro

Date 4-15-94

Title:

EXXON PIPELINE COMPANY


Name: _____

1-26-94
Date _____

Title: Operations Manager